RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0298845 IN THE SPRABERRY (TREND AREA) BREEDLOVE (STRAWN), LOWE (ATOKA), LOWE (MISS.) AND SPRABERRY (TREND AREA) R 40 EXC. FIELDS, VARIOUS COUNTIES, TEXAS

FINAL ORDER

APPROVE BLANKET RULE 10 EXCEPTIONS FOR THE SPRABERRY (TREND AREA), BREEDLOVE (STRAWN), LOWE (ATOKA), LOWE (MISS.) AND SPRABERRY (TREND AREA) R 40 EXC FIELDS VARIOUS COUNTIES, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on January 6, 2016, the presiding examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiner's report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

THEREFORE, it is **ORDERED** by the Railroad Commission of Texas that exceptions to Statewide Rule 10 are hereby approved for all wells in the Spraberry (Trend Area) Field and the Breedlove (Strawn), Lowe (Atoka), Lowe (Miss.), and Spraberry (Trend Area) R 40 Exc Fields in Crane, Andrews, Borden, Crockett, Dawson, Ector, Gaines, Glasscock, Howard, Irion, Martin, Midland, Pecos, Reagan, Runnels, Schleicher, Upton, Sterling, Stonewall, Terrell and Terry Counties, Texas.

For wells which are commingled in any combination of the subject fields after the effective date of this order, commingled production shall be assigned to the Spraberry (Trend Area) Field if a completion is made in that field. Otherwise, the field assignment will be at the operator's discretion.

Further, and excluding the double-assignment of acreage clause prescribed in Consolidated Oil & Gas Final Order Nos. 7C-0291169 & 7C-0291171 affecting the Spraberry (Trend Area) R 40 Exc Field, acreage assigned to wells on any leases for allocation of allowable shall not be assigned to any other well or wells projected to or completed in any of the fields; such duplicate assignment of acreage is not acceptable,

provided however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The operator of any well downhole commingled in any combination of the subject fields shall file the appropriate completion forms and/or other forms as required by the Commission and shall file at the same time the appropriate Commission required administrative Rule 10 exception downhole commingling fee.

Done this 23rd day of February, 2016.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order February 23, 2016)